

Congress of the United States
Washington, DC 20515

October 1, 2018

761

The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Dear Chairman Pai:

We write to share our appreciation for the commitment of \$540 million in March 2018 to help address the funding shortfall in the High Cost Universal Service Fund (USF). However, the current budget as of July 1 continues to be underfunded.

Funding shortfalls hinder our national broadband goals and we encourage immediate FCC action to fully fund the High Cost USF. This is important to ensure rural Iowans have access to high quality broadband and voice services comparable to those available to Iowans living in urban areas.

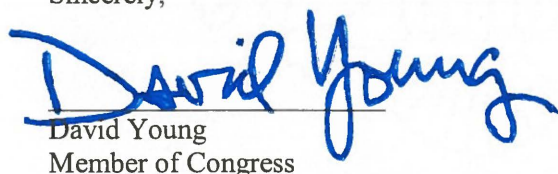
The FCC's recent High Cost USF order and the responses to its Further Notice of Proposed Rulemaking confirm the need to provide—and indicate broad support for—long-term, sufficient funding to smaller rural carriers, ensuring rural consumers can have access to affordable broadband. The High Cost USF budget has remained static since 2011 and has not kept pace with technological advancements. It is critical for millions of rural Americans to set the budget to meet current demand levels and keep pace with inflation going forward.

This lack of funding could lead to a shortfall of nearly \$11 million in the State of Iowa. Undoubtedly, these reductions will require providers to postpone or cancel broadband investments, reduce the availability of rural broadband, and threaten to increase consumer rates in rural areas.

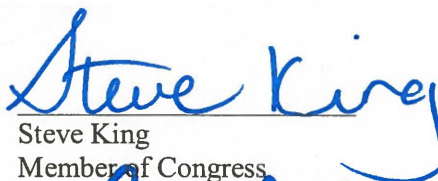
Providers are also at risk to pay back loans for investments already made, which undermines the viability and sustainability of broadband in rural areas. Rural carriers serve about 85 percent of Iowa's counties and it's crucial these companies and customers are not left behind.

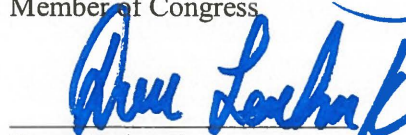
Eliminating the digital divide and promoting affordable broadband is critical for rural American consumers and businesses. We urge the Commission to act before the end of the year to fully fund the High Cost USF and put these programs on a path for success. We look forward to continuing to work with you in achieving a positive resolution on this important issue.

Sincerely,


David Young
Member of Congress


Rod Blum
Member of Congress


Steve King
Member of Congress


Dave Loebsack
Member of Congress



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

November 30, 2018

The Honorable Dave Loebsack
U.S. House of Representatives
1527 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Loebsack:

Thank you for your letter on the importance of high-speed broadband access to rural Americans, including those in Iowa. Closing the digital divide is our foremost mission as an agency, and I appreciate your recognition of our work thus far to foster deployment in the most remote corners of our country.

I agree with your concerns that budget limitations in the Universal Service Fund's high cost program for legacy rate-of-return providers could result in undue reductions in support for broadband deployment in Iowa. Those cuts were the legacy of the last Administration's *2016 Rate-of-Return Reform Order* (from which I dissented in part as a Commissioner).

We started to address this problem in March, when the Commission dedicated an additional \$500 million to support small, rural carriers deploying broadband to the farthest reaches of America. And I expect that we will finish our work in December. I have now circulated to my colleagues a proposed order that would reform our high-cost program for small carriers to increase its efficiency, its sufficiency, and its predictability, all while ensuring rural Americans get the high-quality services they need and deserve.

First, we're promoting efficiency by offering rate-of-return carriers opportunity to opt in to model-based support, which would give them a guaranteed revenue stream for a decade in exchange for meeting specified buildout requirements. *Second*, we're ensuring support is sufficient by offering additional funding to carriers that currently receive model-based support and who agree to meet increased buildout requirements. We're also increasing funding for carriers who do not receive model-based support. *Third*, we're making the program more predictable by setting a new long-term budget for rate-of-return carriers who choose not to opt in to model-based support and ending arbitrary funding cuts. And *fourth*, we're increasing the target speeds for subsidized deployments from 10/1 Mbps to 25/3 Mbps. Long story short, we're making the Universal Service Fund a more effective means of closing the digital divide.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ajit V. Pai".
Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
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November 30, 2018

The Honorable Rod Blum
U.S. House of Representatives
1108 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Blum:

Thank you for your letter on the importance of high-speed broadband access to rural Americans, including those in Iowa. Closing the digital divide is our foremost mission as an agency, and I appreciate your recognition of our work thus far to foster deployment in the most remote corners of our country.

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OFFICE OF
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November 30, 2018

The Honorable Steve King
U.S. House of Representatives
2210 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman King:

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OFFICE OF
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November 30, 2018

The Honorable David Young
U.S. House of Representatives
240 Cannon House Office Building
Washington, D.C. 20515

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Ajit V. Pai
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Very grateful for your support during my time at the FCC and your leadership on behalf of the 3rd District. Please don't hesitate to call on me if I can help advance our shared goals.